

Prudential and Structural Islamic Financial Indicators (PSIFIs) for Islamic Banks

Country: Palestine													
Time period covered : Starting Period: 2016Q4 Ending Period: 2018Q4													
Core Prudential Islamic Financial Indicators (PIFIs)													
Code	Indicator	Standard	Currency	Units	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4*
End-of-period exchange rate (National Currency / USD):													
<i>Capital Adequacy : Basel Standard</i>													
CP01a	CAR				19.5%	18.7%	20.0%	18.8%	18.5%	17.8%	17.6%	16.6%	17.5%
	Total regulatory capital	Basel 2	USD	M	220.6	220.7	249.1	247.6	255.9	258.5	262.6	262.6	269.1
	Risk-weighted assets (RWA)	Basel 2	USD	M	1,129.5	1,179.8	1,243.7	1,316.0	1,380.6	1,452.7	1,493.9	1,578.6	1,536.7
CP02a	Tier 1 capital to RWA				18.7%	17.8%	19.4%	18.1%	17.8%	17.1%	16.8%	15.9%	16.7%
	Tier 1 capital	Basel 2	USD	M	210.7	209.5	241.0	238.5	246.1	247.7	251.3	250.7	256.1
	RWA	Basel 2	USD	M	1,129.5	1,179.8	1,243.7	1,316.0	1,380.6	1,452.7	1,493.9	1,578.6	1,536.7
CP03a	Common Equity Tier 1 (CET1) capital to RWA				...	...	...	...	...	...	...	...	...
	CET1 capital				...	...	...	...	...	...	...	...	...
	RWA				...	...	...	...	...	...	...	...	...
<i>Capital Adequacy: IFSB Formula</i>													
CP01b	CAR (IFSB)				...	...	...	...	...	...	...	...	...
	Total regulatory capital				...	...	...	...	...	...	...	...	...
	RWA				...	...	...	...	...	...	...	...	...
CP02b	Tier 1 capital to RWA (IFSB)				...	...	...	...	...	...	...	...	...
	Tier 1 capital				...	...	...	...	...	...	...	...	...
	RWA				...	...	...	...	...	...	...	...	...
CP03b	Common Equity Tier 1 (CET1) capital to RWA (IFSB)				...	...	...	...	...	...	...	...	...
	CET1 capital				...	...	...	...	...	...	...	...	...
	RWA				...	...	...	...	...	...	...	...	...
<i>Asset Quality</i>													
CP04	Gross nonperforming financing (NPF) ratio				1.1%	1.3%	2.2%	1.8%	1.4%	1.7%	1.7%	1.8%	1.7%
	NPF		USD	M	10.6	13.6	24.8	22.2	17.7	22.2	23.6	26.5	25.9
	Total financing		USD	M	970.1	1,050.8	1,138.6	1,203.9	1,248.9	1,305.9	1,387.8	1,457.1	1,478.5
CP05	Net nonperforming financing (net NPF) to capital				2.2%	3.6%	7.6%	6.5%	4.5%	6.3%	1.5%	2.6%	3.1%
	Net NPF*****		USD	M	4.8	7.9	18.9	16.0	11.6	16.2	3.9	6.9	8.3
	Total regulatory capital		USD	M	220.6	220.7	249.1	247.6	255.9	258.5	262.6	262.6	269.1
CP06	Provisions for gross nonperforming financing (NPF)				54.8%	42.1%	23.8%	27.8%	34.3%	27.0%	83.3%	74.1%	67.9%
	Provisions*****		USD	M	5.8	5.7	5.9	6.2	6.1	6.0	19.7	19.7	17.6
	NPF		USD	M	10.6	13.6	24.8	22.2	17.7	22.2	23.6	26.5	25.9
<i>Earnings</i>													
CP07	Return on assets (ROA)				1.50%	1.31%	1.30%	1.27%	1.3%	0.9%	1.0%	1.0%	1.1%
	Net income (before extraordinary items, taxes, and Zakat)**		USD	M	23.1	24.3	24.3	24.8	25.2	19.5	23.3	23.1	24.5
	Total assets***		USD	M	1,536.3	1,847.5	1,867.2	1,949.1	2,012.2	2,215.6	2,241.4	2,255.0	2,272.6
CP08	Return on equity (ROE)				12.6%	10.0%	9.6%	9.5%	9.5%	6.7%	8.3%	8.3%	8.8%
	Net income (before extraordinary items, taxes, and Zakat)		USD	M	23.1	24.3	24.3	24.8	25.2	19.5	23.3	23.1	24.5

	Equity		USD	M	183.4	243.1	253.9	260.5	265.8	288.6	281.4	278.9	279.0
CP09	Net profit margin				31.8%	31.9%	26.7%	29.5%	26.4%	19.2%	22.2%	21.8%	23.0%
	Net income (before extraordinary items, taxes, and Zakat)		USD	M	23.1	6.1	12.2	18.6	25.2	4.9	11.6	17.3	24.5
	Gross income		USD	M	72.5	19.1	45.5	63.0	95.6	25.3	52.3	79.6	106.9
CP10	Cost to income				64.6%	68.7%	63.1%	70.2%	63.7%	67.7%	65.5%	70.9%	76.3%
	Operating costs		USD	M	46.9	13.1	28.8	44.2	60.9	17.1	34.3	56.4	72.8
	Gross income		USD	M	72.5	19.1	45.5	63.0	95.6	25.3	52.3	79.6	95.4
<i>Leverage</i>													
CP11	Capital to assets (balance sheet definition)				12.2%	10.6%	11.9%	11.3%	11.0%	10.9%	10.9%	10.4%	10.7%
	Tier 1 capital		USD	M	210.7	209.5	241.0	238.5	246.1	247.7	251.3	250.7	256.1
	Total assets****		USD	M	1,724.1	1,971.0	2,021.3	2,110.1	2,234.4	2,267.8	2,308.2	2,414.6	2,401.0
CP12	Leverage (regulatory definition)				11.2%	9.1%	10.1%	9.6%	9.7%	9.4%	9.5%	9.3%	10.1%
	Tier 1 capital		USD	M	210.7	209.5	241.0	238.5	246.1	247.7	251.3	250.7	256.1
	Exposure		USD	M	1,885.4	2,302.9	2,390.3	2,482.1	2,530.5	2,629.4	2,632.2	2,691.1	2,542.2
<i>Liquidity</i>													
CP13	Liquid assets ratio				29.3%	29.8%	28.5%	32.0%	31.8%	30.8%	29.0%	28.3%	27.3%
	Liquid assets		USD	M	495.3	575.6	575.6	662.3	711.0	699.2	668.3	684.0	655.9
	Total assets		USD	M	1,687.9	1,932.2	2,021.3	2,068.7	2,234.4	2,267.8	2,308.2	2,414.6	2,401.0
CP14	Liquid assets to short-term liabilities				42.4%	39.9%	39.9%	45.3%	46.8%	44.5%	40.9%	40.5%	38.7%
	Liquid assets		USD	M	495.3	575.6	575.6	662.3	711.0	699.2	668.3	684.0	655.9
	Short-term liabilities		USD	M	1,167.9	1,444.1	1,444.1	1,462.7	1,520.6	1,569.7	1,634.1	1,690.5	1,693.9
CP15	Liquidity coverage ratio (LCR)				...	...	...	...	...	...	...	...	177.2%
	Stock of <i>Shari'ah</i> -compliant high quality liquid assets				...	...	...	...	...	...	...	...	494.1
	Total net cash outflows over the next 30 calendar days				...	...	...	...	...	...	...	...	278.9
CP16	Net stable funding ratio (NSFR)				...	...	...	...	...	...	...	...	176.4%
	Available stable funding (ASF)				...	...	...	...	...	...	...	...	911.3
	Required stable funding (RSF)				...	...	...	...	...	...	...	...	516.5
<i>Sensitivity to Market Risk; Other</i>													
CP17	Net foreign exchange open position to capital				...	...	...	...	...	...	...	...	...
	Net FX open position				...	...	...	...	...	...	...	...	...
	Total regulatory capital		USD	M	220.6	220.7	249.1	247.6	255.9	258.5	262.6	262.6	269.1
CP18	Large exposures to capital				66.8%	55.2%	46.7%	62.3%	103.5%	102.5%	141.1%	171.5%	136.8%
	Value of large exposures		USD	M	162.4	133.9	128.7	174.4	264.9	264.9	370.5	450.3	368.3
	Total regulatory capital (or balance sheet capital)*****		USD	M	243.4	242.8	275.6	280.2	255.9	258.5	262.6	262.6	269.1
CP19	Growth of financing to private sector*****				30.2%	25.6%	27.7%	35.5%	28.7%	24.3%	21.9%	21.0%	21.1%
	Total financing at end of current period		USD	M	866.1	934.3	1,138.6	1,083.8	1,248.9	1,305.9	1,387.8	1,457.1	1,365.1
	Total financing at end of same period in previous year		USD	M	665.2	744.0	891.6	800.0	970.1	1,050.8	1,138.6	1,203.9	1,127.1

Additional Prudential Islamic Financial Indicators (PIFIs)

Code	Indicator	Currency	Units	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4
AD01	sharing investment accounts (PSIAs)			...	...	...	...	...	...	...	...	...
	Income distributed to IAH			...	...	...	...	...	...	...	...	...
	Total income from assets funded by PSIA			...	...	...	...	...	...	...	...	...
AD02	Total off-balance sheet items to total assets			11.5%	18.8%	20.7%	19.6%	15.2%	17.9%	16.6%	13.9%	8.3%

	Off-balance sheet items	USD	M	197.7	370.6	418.1	413.5	338.5	405.3	383.2	335.9	199.2
	Total assets	USD	M	1,724.1	1,971.0	2,021.3	2,110.1	2,234.4	2,267.8	2,308.2	2,414.6	2,401.0
AD03	Foreign-currency denominated funding to total funding			...	...	...	...	...	...	...	...	...
	FX funding			...	...	...	...	...	...	...	...	...
	Total funding			...	...	...	...	...	...	...	...	...
AD04	Foreign-currency denominated financing to total financing			...	...	...	...	...	...	...	...	...
	FX financing			...	...	...	...	...	...	...	...	...
	Total financing			...	...	...	...	...	...	...	...	...
AD05	Value of Sukūk holdings to capital			14.3%	13.4%	12.6%	13.3%	15.6%	15.5%	16.2%	16.6%	16.7%
	Sukūk holdings	USD	M	31.4	29.5	31.5	33.0	40.0	40.0	42.7	43.7	44.8
	Total regulatory capital	USD	M	220.6	220.7	249.1	247.6	255.9	258.5	262.6	262.6	269.1
AD06	Value (or percentage) of Shari'ah-compliant financing by economic activity											
	Value of Shari'ah-compliant financing	USD	M	970.1	1,050.8	1,138.6	1,203.9	1,248.9	1,305.9	1,387.8	1,457.1	1,478.5
	Sectoral distribution			...	...	...	...	...	...	...	...	...
	(a) agriculture, forestry, hunting and fishing	USD	M	38.9	45.0	49.8	52.5	37.2	37.8	41.3	44.1	42.4
	(b) mining and quarrying	USD	M	...	...	...	...	...	...	...	...	...
	(c) manufacturing	USD	M	13.0	14.2	16.0	16.8	31.1	32.7	36.3	38.4	37.0
	(d) electricity, gas, steam and air-conditioning supply			...	...	...	...	...	...	...	...	...
	(e) water supply; sewerage and waste management			...	...	...	...	...	...	...	...	...
	(f) construction	USD	M	134.9	145.8	147.3	149.5	137.5	140.7	141.5	144.4	129.0
	(g) wholesale and retail trade; repair of motor vehicles and motorcycles	USD	M	213.9	205.2	217.0	242.8	286.9	311.1	317.9	359.9	392.8
	(h) transportation and storage	USD	M	...	...	...	...	...	...	...	...	...
	(i) accommodation and food service activities	USD	M	...	...	...	...	...	...	3.6	3.6	3.6
	(j) information and communication	USD	M	...	...	...	...	...	...	...	...	...
	(k) financial and insurance activities	USD	M	...	...	...	...	...	...	...	...	...
	(l) real estate activities	USD	M	240.1	277.1	319.4	340.0	341.5	355.1	389.4	412.9	414.1
	(m) professional, scientific and technical activities	USD	M	7.5	8.4	9.6	10.1	11.5	12.0	13.4	14.1	13.5
	(n) administrative and support service activities			...	...	...	...	...	...	...	...	...
	(o) public administration and defense; compulsory social security			...	...	...	...	...	...	...	...	...
	(p) education	USD	M	...	...	...	...	...	...	...	...	...
	(q) human health and social work activities	USD	M	...	...	...	...	...	...	...	...	...
	(r) arts, entertainment and recreation			...	...	...	...	...	...	...	...	...
	(s) other service activities (export)			...	...	...	...	...	...	...	...	...
	(t) activities of households as employers			...	...	...	...	...	...	...	...	...
	(t*) other financing of households	USD	M	217.8	238.5	253.7	272.1	281.3	294.3	325.5	321.6	332.6
	(u) activities of extraterritorial organisations and bodies			...	...	...	...	...	...	...	...	...
	(u*) financing to nonresidents	USD	M	1.6	1.4	2.2	1.9	2.2	2.0	3.8	2.8	2.3
	(v) Public sector*****	USD	M	102.4	115.0	123.5	118.2	119.6	120.2	114.8	115.0	111.1
AD07	Value (or percentage) of gross NPF by economic activities											
	Value of gross NPF	USD	M	10.6	13.6	24.8	22.2	17.7	22.2	22.2	26.5	25.9
	Economic activity			...	...	...	...	...	...	...	...	...
	(a) agriculture, forestry, hunting and fishing	USD	M	0.1	0.1	1.3	1.3	1.0	1.6	0.5	0.5	0.5
	(b) mining and quarrying	USD	M	...	...	...	...	...	...	...	...	...

(c) manufacturing	USD	M
(d) electricity, gas, steam and air-conditioning supply		
(e) water supply; sewerage and waste management		
(f) construction	USD	M	2.8	5.2	5.9	3.5	2.9	6.1	6.6	7.1	6.9	
(g) wholesale and retail trade; repair of motor vehicles and motorcycles	USD	M	1.3	1.0	1.3	1.3	2.9	1.3	2.1	1.9	2.3	
(h) transportation and storage	USD	M	0.3	0.3	0.5	0.3	0.0	0.0	0.0	0.0	0.3	
(i) accommodation and food service activities	USD	M	2.3	2.3	4.9	2.6	2.3	3.0	3.6	3.5	3.3	
(j) information and communication	USD	M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(k) financial and insurance activities	USD	M	...	...	...	...	...	...	...	...	...
(l) real estate activities	USD	M	1.4	1.3	1.3	1.0	0.1	0.0	0.7	0.9	1.0	
(m) professional, scientific and technical activities	USD	M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(n) administrative and support service activities			...	...	...	...	...	...	...	...	...
(o) public administration and defense; compulsory social security			...	...	...	...	...	...	...	...	...
(p) education	USD	M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(q) human health and social work activities	USD	M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
(r) arts, entertainment and recreation			...	...	...	...	...	...	...	...	...
(s) other service activities (export)			...	...	...	...	...	...	...	...	...
(t) activities of households as employers			...	...	...	...	...	...	...	...	...
(t*) other financing of households	USD	M	2.2	3.4	9.5	12.0	7.7	9.3	8.4	12.2	11.6	
(u) activities of extraterritorial organisations and bodies			...	...	...	...	...	...	...	...	...
(u*) financing to nonresidents	USD	M	0.1	0.0	0.0	0.2	0.2	0.2	0.0	0.0	0.0	
(v) Public sector	USD	M	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
AD08 Value (or percentage) of returns by major type of <i>Shari'ah</i>-compliant contract												
Total returns	USD	M	72.5	19.1	45.5	63.0	73.6	19.9	41.2	63.7	89.1	
Murābahah ,Istisnā` ,others	USD	M	55.6	15.5	30.9	48.5	67.2	18.3	38.2	58.7	81.6	
Muḍārabah, Mushārah, Qarḍ Hassan	USD	M	0.8	0.1	0.2	0.2	0.3	0.1	0.2	0.5	0.8	
Ijārah/Ijārah Muntahia Bittamlik	USD	M	2.0	0.6	1.2	1.7	2.5	0.9	1.5	2.5	3.5	
Others (please specify)	USD	M	14.1	2.9	13.3	12.6	3.6	0.6	1.3	2.0	3.3	
(i)												
(ii)												
(iii)												
Others												

Structural Islamic Financial Indicators (SIFIs)

Code	Indicator	Currency	Units	2016Q4	2017Q1	2017Q2	2017Q3	2017Q4	2018Q1	2018Q2	2018Q3	2018Q4
ST01	Number of Islamic banks		G	3	3	3	3	3	3	3	3	3
	Number of domestic branch offices		G	48	48	50	55	60	61	62	65	71
	Number of ATMs		G	83	98	98	101	103	101	106	108	118
ST02	Number of employees		G	1,040	1,076	1,116	1,160	1,199	1,214	1,259	1,301	1,346
ST03	Total assets	USD	M	1,724.1	1,971.0	2,021.3	2,110.1	2,234.4	2,267.8	2,308.2	2,414.6	2,401.0
	Total <i>Shari'ah</i> -compliant financing (excluding interbank financing)	USD	M	970.1	1,050.8	1,138.6	1,203.9	1,248.9	1,305.9	1,387.8	1,457.1	1,478.5
	<i>Sukūk</i> holdings	USD	M	31.4	29.5	31.5	33.0	40.0	40.0	42.7	43.7	44.8
	Other <i>Shari'ah</i> -compliant securities	USD	M	36.3	38.5	36.7	39.2	39.6	44.5	44.9	41.3	41.6

	Interbank financing	USD	M	415.7	481.7	489.0	448.7	453.3	473.3	443.3	437.5	396.2
	All other assets	USD	M	270.5	370.6	325.6	385.3	452.5	404.1	389.5	435.1	439.8
ST04	Total funding/liabilities and equities	USD	M	1,724.1	1,932.2	2,021.3	2,110.1	2,234.4	2,267.8	2,308.2	2,414.6	2,401.0
	Profit-sharing investment accounts (PSIA)*****	USD	M	883.8	993.3	1,013.9	1,066.2	1,112.4	1,161.8	1,231.0	1,303.5	1,333.6
	Other remunerative funding (<i>Murābahah</i> , Commodity <i>Murābahah</i> etc.)	USD	M	...	...	...	...	...	...	...	...	...
	Nonremunerative funding (current account, <i>Wad'ah</i>)	USD	M	401.6	444.6	493.2	489.2	524.7	494.5	485.0	525.7	502.3
	<i>Sukūk</i> issued	USD	M	...	...	...	...	...	...	...	...	...
	Other <i>Sharī'ah</i> -compliant securities issued	USD	M	...	...	...	...	...	...	...	...	...
	Interbank funding/liabilities	USD	M	113.1	198.8	152.3	184.2	197.8	205.3	210.2	199.6	171.7
	All other liabilities	USD	M	82.2	52.7	86.4	90.4	112.5	116.1	114.9	114.1	114.1
	Capital and reserves	USD	M	243.4	242.8	275.6	280.2	287.0	290.0	267.1	271.7	279.3
ST05	Total revenues			...	...	...	...	...	...	...	76.6	113.5
	Financing based			...	...	...	...	...	...	...	61.7	85.8
	Investment based (<i>Sukūk</i> , other <i>Sharī'ah</i> -compliant securities etc.)			...	...	...	...	...	...	...	2.0	2.5
	Fee based			...	...	...	...	...	...	...	9.2	12.8
	Other			...	...	...	...	...	...	...	3.7	12.5
ST06	Earnings before taxes and Zakat	USD	M	23.1	6.1	12.2	18.6	25.2	4.9	11.6	17.3	24.5
ST07	Value (or percentage) of financing by type of Sharī'ah-compliant contract											
	Total financing	USD	M	970.1	1,050.8	1,138.6	1,203.9	1,248.9	1,305.9	1,387.8	1,457.1	1,478.5
	<i>Murābahah</i>	USD	M	880.6	950.8	1,015.2	1,053.8	1,120.4	1,171.4	1,241.0	1,295.4	1,312.6
	Commodity <i>Murābahah</i> / <i>Tawwaruq</i>			...	...	...	...	...	...	...	...	...
	<i>Salam</i>			...	...	...	...	...	...	...	...	...
	<i>Istisnā`</i>	USD	M	12.1	11.7	12.7	15.4	15.4	14.8	15.5	16.3	16.9
	<i>Ijārah</i> / <i>Ijārah Muntahia Bittamlīk</i>	USD	M	39.7	44.3	50.6	54.2	58.0	62.2	67.7	72.1	75.6
	<i>Muqārabah</i>	USD	M	17.3	19.2	34.6	51.9	26.4	28.7	32.7	43.5	45.1
	<i>Mushārahah</i>			...	...	...	...	...	...	...	...	...
	Diminishing <i>Mushārahah</i>			...	...	...	...	...	...	...	...	...
	<i>Wakālah</i>			...	...	...	...	...	...	...	...	...
	<i>Qarḍ Hassan</i>	USD	M	15.8	15.7	20.8	22.3	24.6	23.4	22.3	23.3	22.3
	Others (please specify) ¹	USD	M	...	...	...	...	...	...	...	...	...
	(i) Overdraft	USD	M	4.5	9.2	4.8	6.3	4.0	5.4	8.8	6.4	6.0
	(ii)			...	...	...	...	...	...	...	...	...
	(iii)			...	...	...	...	...	...	...	...	...
	Others			...	...	...	...	...	...	...	...	...
ST08	Assets held by domestic systemically important Islamic banks			...	...	...	...	...	...	...	...	...

Source: Palestine Monetary Authority

Note:

G Indicates General

M Indicates Millions

n.a Not applicable

(...) Indicates the data is not available

- * The beginning of the Basel II implementation on Islamic Banks
- ** Converted to an annual basis.
- *** Average Assets.
- **** Total Gross Assets.
- ***** Balance sheet capital.
- ***** Annual growth in finance is quite high due to opening a new Islamic bank "Safa Bank" in the second half of 2016.
- ***** Public Sector which has been added to the above data, includes finance granted to: the government (PNA), Palestinian local authorities, and other Palestinian non-financial public sector. Shariah compliant financing in AD06 includes finance granted to the Public Sector.
- ***** Profit-sharing investment accounts include Saving and Investment deposits. The types of deposit taking instruments for Islamic banking sector in Palestine mainly include: Current account, Saving account, Investment deposits.
- ***** After IFRS9 applied.
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